

Before the Postal Regulatory Commission
Washington, DC 20238-0001

TRANSFERRING BOUND PRINTED
MATTER PARCELS TO THE COMPETITIVE
PRODUCT LIST

Docket No. MC2021-78

COMMENTS OF ULINE
(May 7, 2021)

The USPS request to transfer Bound Printed Matter (BPM) Parcels to the competitive product list is a major concern for Uline. While Uline does not currently mail within BPM parcel category, we plan to do so beginning in March, 2022.

Uline catalog

Uline is the largest North American distributor of shipping, packaging and industrial supplies. We are a B-to-B marketer that utilizes the USPS to deliver the Uline catalog to our customers. The 2021 Uline catalog is 812 pages and mails as a BPM Flat. With page additions planned for our 2022 catalog, the spine width will exceed 0.75". As a result, the Uline catalog will move from BPM Flat to BPM Parcel in March, 2022.

Our product line contains over 38,500 products and is continually expanding. It's important that our catalog page count grows along with our product line to showcase the full breadth of our product offering to customers. Therefore, we anticipate our catalog will continue to grow in page count each year with new product additions.

Uline catalog fits Market Dominant products

The Uline catalog fits the original historical definition of BPM Parcel – an outgrowth of the former fourth-class catalog rate – because the catalog consists entirely of advertising. This category is appropriate for large catalog mailers whose weight and spine width exceed flat-size dimensions. Moving this category to the competitive product list will result in negative impacts to customers for whom the rate was originally intended. Uline's use of the BPM Parcel category will result in a single advertising catalog title mailing at commercial prices to residential and business addresses throughout the U.S. This was never the intent of the historical BPM Parcel regulations.

Negative Impact to Uline if BPM Parcel moves to competitive product list

Uline's catalog has always mailed as a Market Dominant product, and simply adding a few more pages to our catalog should not move it to the competitive product list. By doing so, the USPS would be giving Uline's competitors an unfair advantage – competitor catalogs will mail as Market Dominant (protected by Market Dominant price caps) while the Uline catalog will mail as a competitive product (and eligible for higher, more frequent and more unpredictable postage rate increases).

The 30-day notice on competitive price increases would impose tremendous strain on the management of our marketing budget and production timelines. The catalog production cycle is an eight-month process and requires significant commitment of people and resources. Securing press time and paper for our catalog takes several months of advance notice. It would be extraordinarily difficult for us to react to a postage increase in a timely manner. Unplanned postage increases during the year

would make it nearly impossible to appropriately adjust our marketing strategy and remain within our allocated annual marketing budget. In addition, this would have a trickle-down effect to our suppliers in the print industry and would disrupt contractual agreements containing annual volume obligations.

Why Uline catalog does not meet competitive product definition

As a catalog mailer, Uline does not consider UPS or FedEx ground to be viable alternatives to USPS delivery. It is impractical and irresponsible for the USPS to claim that the Uline catalog could easily be delivered by UPS or FedEx without significant negative impacts to Uline's mailing program. As a B-to-B marketer, it is important to Uline that the catalog arrive at our customer location delivered by a USPS mail carrier along with the other daily mail – at the front door of the company. UPS and FedEx often arrive at the rear dock door, and distribution is handled separately than that of the USPS mail delivered to the front door. Deliveries of Uline's catalog in this manner would be far less effective.

Once the Uline catalog qualifies as a BPM Parcel, we will be a significant mailer in this category. Uline's use of BPM Parcel category is and always will be strictly for marketing purposes – mailing our catalog to current and prospective customers free of charge. Therefore, we believe that BPM Parcels should remain as Market Dominant. In addition, the Market Dominant rates on marketing materials bring incremental gain to postal volume through invoices, packages, and other pieces that are a direct result of additional customers gained through the initial catalog mailing.

Impact to USPS if proposal is approved

Uline has always utilized mail as a key component to our marketing strategy. We consider the USPS a major partner in our marketing campaign – delivering our printed catalogs to our customers. If postage significantly increases or becomes unpredictable, we will be forced to consider alternatives to mailing our catalog. Uline already has a strong digital marketing program and can easily increase our digital marketing efforts, if needed.

Alternative to proposal – expand Marketing Mail flats to include larger catalogs

If the USPS insists on moving BPM parcels to competitive products, Uline would like the USPS to consider extending Marketing Mail flats to include heavy advertising catalogs that exceed 0.75” spine width. This would allow mailers who utilize current BPM Parcels to mail catalogs as Market Dominant. It would encourage catalogers to continue to add pages to their catalog and would increase overall per-piece contribution in what is otherwise a declining market.

Respectfully submitted,

Brian Shenker
VP, Customer Development
Uline
12575 Uline Dr
Pleasant Prairie, WI 53158
BShenker@uline.com
262-612-4200